



Transamerica, a member of the AEGON Group, has implemented a new Future Greeks functionality within the Numerix Leading Hedge platform—enabling nested stochastic projections. Transamerica has adopted this innovative Numerix insurance risk management technology for future valuations and scenario generation. The ability to project Future Greeks for liabilities supports calculating future hedge performance in financial reports.

Already an established user of the Numerix CrossAsset pricing and risk engine and Numerix Leading Hedge insurance solution, Numerix provides Transamerica with a scalable, modern infrastructure for Variable Annuity (VA) liability valuation and hedging. With an advanced model library at the core of all Numerix analytics, CrossAsset and Leading Hedge work together seamlessly to provide a common foundation for pricing and risk management within a fully automated production environment.

Evolution of Numerix Leading Hedge: Future Valuation and Scenario Generation

The latest version of Numerix Leading Hedge enables the calculation of Future Greeks on Transamerica's portfolio of over 230,000 variable annuity policies using sophisticated nested stochastic functionality. With Future Greeks deployed, Leading Hedge produces about 1 billion Greeks by caching instances of Hybrid models on grid engines, enabling hedge income projections using prescribed real world scenarios on the outer loop and market consistent, risk neutral scenarios generated dynamically on the inner loops.

Leading Hedge's Future Greeks module provides Transamerica with a number of benefits, including reduced operational risk, reduced run time, increased precision, and scalability for future growth of the business.

“ This new module enabled Transamerica to reduce end-to-end run time from 40 hours to 6 hours while improving modeling precision. In addition, Leading Hedge is setting the stage for additional uses for nested stochastic projections. ”

— Hunt Blatz, Vice President and Head of Model development at Transamerica Investments & Retirement

About Transamerica

With a history that dates back over 100 years, the Transamerica companies are recognized as leading providers of life insurance, savings and retirement and investment solutions, serving millions of customers throughout the United States and Canada.

Transamerica's corporate headquarters are based in Cedar Rapids, Iowa and Baltimore, Maryland. Transamerica is a member of the Aegon group of companies. Aegon is one of the world's largest life insurance, pension and asset management groups, operating in over 25 markets worldwide with some 26,000 employees. For the full year 2013, Aegon managed €475 billion in revenue generating investments. For more information please visit www.transamerica.com.